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CENTRAL INTELLIGENCE AGENCY

-2-

in order to check the deterioration of Austria's financial situation, the Austrian Government is considering an increase in the circulation of bank-notes.

- c. Another factor suited for political exploitation in western Austria is the present **weakness** of the Western Powers, both politically and militarily, which prevents them from adopting a firm policy. There is still a possibility of US-Soviet agreement on a definition of the mutual spheres of interest in Central Europe, and accordingly, the possibility of western Austria's integration into the Soviet orbit still exists.

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